GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:902
ANSWERED ON:29.07.2005
MEDICAL INSURANCE
Bansal Shri Pawan Kumar

Will the Minister of FINANCE be pleased to state:

(a) whether Third Party Administrators and insurance companies pay less than the cost incurred by the insured patient on his treatment/ operation though insured for the entire amount;

(b) if so, whether Insurance Regulatory and Development Authority has taken cognizance of this practice; and

(c) if so, the steps taken to protect the interests of the people taking out medical insurance?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a): Third Party Administrators (TPA) provide a cashless service to the extent of the sum assured and permissible services opted for by the policyholder. In case the cost of medical treatment incuned by patient is more than the sum assured, the policyholder has to bear the difference.

(b)&(c): Under the Insurance Regulatory and Development Authority (IRDA) Regulations on Grievances Redressal Mechanism, an aggrieved policyholder can approach the Insurance Company, the IRDA or Insurance Ombudsman for the redressal of his/her grievances.